

Hot temperatures = Hot markets!

Hot dry weather verified across much of the northern growing areas over the weekend and the markets reacted jumping higher out of the gates. Corn and soybeans had put on a good chunk of premium last week up 26 cent in corn and 53.25 cents in soybeans. The US is dealing with dry weather issues while the drought conditions during the Brazil's Safrina growing season are coming home to roost. Informa dropped their total Brazilian production estimate to 88 MMT. These numbers continue to trend lower and the market is trying to price this in as well as damage to US production. We will get the first soybean crop condition rating this afternoon and the second corn rating that is expected to drop 2 percent to 74 GTE. The forecast for trouble areas is not looking any better for the short-term and crops that were looking good early are backing up. The markets should be supported up to Thursday's Waste.

Today's Corn Outlook: Corn was up 22 cents on Friday and added another 18 cents overnight. Hot dry conditions in the northern growing areas are trumping the good conditions in the ECB. Brazil's crop continues to shrink and the US is dealing with its own issues as well. Supportive fundamentals moving forward.

July Corn Technicals: Corn market has bullish sentiment and is looking to challenge the 7.00 level. Bears need to see a move under 6.60.

Today's Soybean Outlook: Beans added 34.5 cents on Friday and another 27.5 cents overnight. Not much news on the soybean front but basis is softer as the crush is slowing. We will get the first new crop rating for soybeans today and the soybeans took a bigger hit from the frost damage last week. We will see if the markets build on last night's highs.

July Soybean Technicals: The soybean market turned bullish and will look to challenge the 16.25 level. Bears need to move back below 15.65.

Exports: None to report.

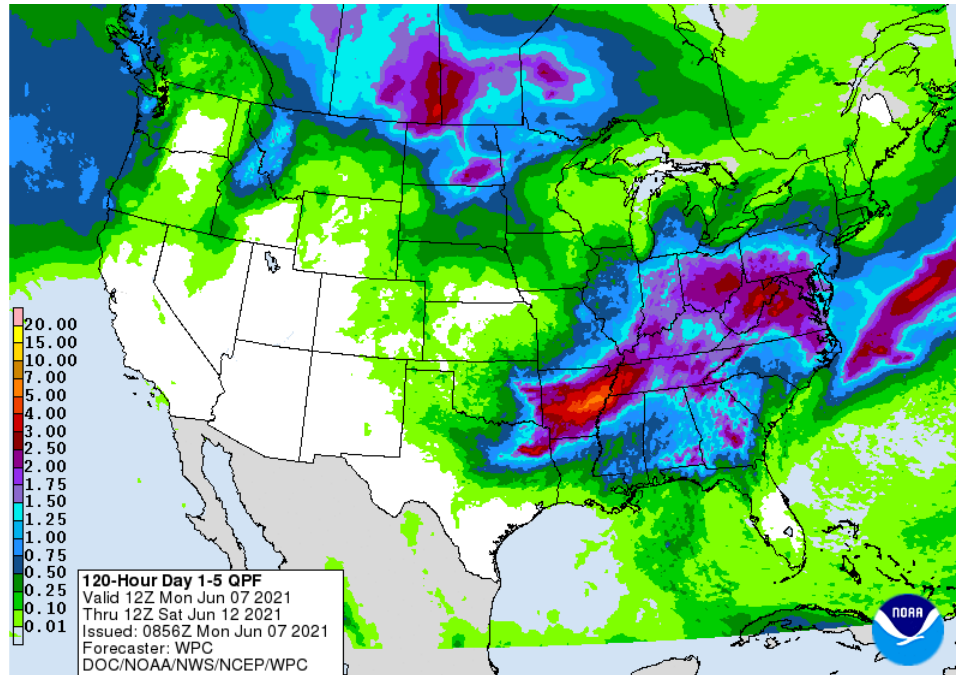
Weather: The June extended forecasts have hotter and drier outlooks. Brazil did get weekend rains over ¼ the Safrina area.

Dollar Index: The dollar is trading **8 ticks higher** this morning at 90.05.

Brazilian Real: The Real is trading **3 ticks lower** this morning at 1979.

Additional Comments:

5 Day Rainfall Accumulation Forecast



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